

Executive Summary – Enforcement Matter – Case No. 50328
Sid Richardson Carbon, LTD
RN100222413
Docket No. 2015-0522-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Unauthorized emissions which are excessive emissions events.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Sid Richardson Carbon Borger Plant, 9455 Farm-to-Market Road 1559, Borger,
Hutchinson County

Type of Operation:

Carbon black manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: October 16, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$87,475

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$87,475

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Executive Summary – Enforcement Matter – Case No. 50328
Sid Richardson Carbon, LTD
RN100222413
Docket No. 2015-0522-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 9, 2014 through March 11, 2015 , and January 26, 2015

Date(s) of NOE(s): February 27, 2015 and March 20, 2015

Violation Information

1. Failed to submit a complete and accurate initial notification within 24 hours after discovery of the emissions event [30 TEX. ADMIN. CODE §§ 101.201(a)(2)(F) and 122.143(4), Federal Operating Permit (“FOP”) No. 01414, Special Terms and Conditions (“STC”) No. 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to prevent unauthorized emissions. Since the emissions event was inaccurately reported, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01414, STC No. 6, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1].
3. Failed to prevent unauthorized emissions. The event was determined to be an excessive emissions event [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01414, STC No. 6, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On June 17, 2014, completed the approved corrective action plan to prevent recurrence of emissions events due to similar causes as Incident No. 186750; and
- b. On March 12, 2015, created a form to ensure all future initial notifications are completely and accurately reported when the State of Texas Environmental Electronic Reporting System is unavailable.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures and/or procedures to prevent recurrence of emissions events due to similar causes as Incident No. 206623; and

Executive Summary – Enforcement Matter – Case No. 50328
Sid Richardson Carbon, LTD
RN100222413
Docket No. 2015-0522-AIR-E

b. Within 45 days, submit written certification to demonstrate compliance with a.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Eduardo Heras, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2422; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: Riaz Bismilla, Vice President of Production, Sid Richardson Carbon,
LTD, 201 Main Street, Suite 300, Fort Worth, Texas 76102
Robert Kennedy, Plant Manager, Sid Richardson Carbon, LTD, 9455 Farm to Market
Road 1559, P.O. Drawer 118, Borger, Texas 79007
Respondent's Attorney: Robert T. Stewart, Kelly Hart Attorneys, 303 Colorado
Street, Suite 2000, Austin, Texas 78701



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	23-Mar-2015	Screening	2-Apr-2015	EPA Due	16-Sep-2015
	PCW	14-Aug-2015				

RESPONDENT/FACILITY INFORMATION

Respondent	Sid Richardson Carbon, LTD
Reg. Ent. Ref. No.	RN100222413
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	50328	No. of Violations	3
Docket No.	2015-0522-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Eduardo Heras
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$86,500
---	-------------------	----------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	25.0% Enhancement	Subtotals 2, 3, & 7	\$21,625
---------------------------	-------------------	--------------------------------	----------

Notes Enhancement for one NOV with same or similar violations and one order with denial of liability.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
--------------------	----	------------------	-------------------	-----

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$20,650
--	-------------------	-----------

Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
-------------------------	-------------------	-------------------	-----

Total EB Amounts	\$2,418
Estimated Cost of Compliance	\$56,500

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$87,475
-----------------------------	-----------------------	----------

OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
---	------	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$87,475
-----------------------------	----------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$87,475
-----------------------------------	-------------------------------	----------

DEFERRAL	0.0%	Reduction	Adjustment	\$0
-----------------	------	-----------	-------------------	-----

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$87,475
------------------------	----------

Screening Date 2-Apr-2015

Docket No. 2015-0522-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD

Policy Revision 4 (April 2014)

Case ID No. 50328

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same or similar violations and one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 25%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

Screening Date 2-Apr-2015

Docket No. 2015-0522-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD

Policy Revision 4 (April 2014)

Case ID No. 50328

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(2) and 122.143(4), Federal Operating Permit ("FOP") No. 01414, Special Terms and Conditions ("STC") No. 2F, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit a complete and accurate initial notification within 24 hours after discovery of the emissions event. Specifically, the Respondent failed to report the compound descriptive type of all individually listed compounds or mixtures of air contaminants released during an emissions event (Incident No. 206623) that equaled or exceeded the reportable quantity.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor
				X

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirement.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

120 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction \$25

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		X
N/A		(mark with x)

Notes

The Respondent completed corrective measures on March 12, 2015 after the NOE date of February 27, 2015.

Violation Subtotal \$225

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$25

Violation Final Penalty Total \$288

This violation Final Assessed Penalty (adjusted for limits) \$288

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD
Case ID No. 50328
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	12-Nov-2014	12-Mar-2015	0.33	\$25	n/a	\$25

Notes for DELAYED costs

Estimated cost to create a form to ensure all future initial notifications are completely and accurately reported when the State of Texas Environmental Electronic Reporting System is unavailable. The Date Required is the date the initial notification was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$25

Screening Date 2-Apr-2015

Docket No. 2015-0522-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD

Policy Revision 4 (April 2014)

Case ID No. 50328

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

Violation Number 2
Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01414, STC No. 6, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 220.27 pounds ("lbs") of carbon monoxide, 4.55 lbs of carbon disulfide, 1.52 lbs of carbonyl sulfide, 4.55 lbs of hydrogen sulfide, 16.21 lbs of nitrogen oxides, 21.71 lbs of particulate matter, 892.05 lbs of sulfur dioxide, and 8.88 lbs of other pollutants from the Plant 2 Unit 4 Primary Bag Filter Flare, Emission Point Number ("EPN") Flare-4, during an emissions event (Incident No. 206623) that began on November 11, 2014 and lasted two hours and 15 minutes. The emissions event occurred when a loss of power to a control panel caused knife gate valves to shut and blow the water leg. Since the emissions event was inaccurately reported, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$284

Violation Final Penalty Total \$4,688

This violation Final Assessed Penalty (adjusted for limits) \$4,688

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD
Case ID No. 50328
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	11-Nov-2014	31-Dec-2015	1.14	\$284	n/a	\$284

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to prevent recurrence of emissions events due to similar causes as Incident No. 206623. The Date Required is the date the emissions event began and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$284

Screening Date 2-Apr-2015

Docket No. 2015-0522-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD

Policy Revision 4 (April 2014)

Case ID No. 50328

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O1414, STC No. 6, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 558,792.25 lbs of carbon monoxide, 11,630.60 lbs of carbon disulfide, 3,876.87 lbs of carbonyl sulfide, 11,630.60 lbs of hydrogen sulfide, 41,121.74 lbs of nitrogen oxides, 55,063.47 lbs of particulate matter, 2,280,509.66 lbs of sulfur dioxide, and 22,514.84 lbs of other pollutants from the Plant 2 Unit 4 Primary Bag Filter Flare, EPN Flare-4, during an emissions event (Incident No. 186750) that began on August 13, 2013 and lasted 7,395 hours and 51 minutes. The emissions event occurred when the Unit 4 offgas fan was brought down due to high vibration. This event was determined to be an excessive emissions event.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Based on the Air Quality Analysis of the dispersion modeling provided by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 11

309 Number of violation days

mark only one with an x

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$82,500

Eleven monthly events are recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$20,625

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective measures on June 17, 2014 before the NOE date of March 20, 2015.

Violation Subtotal \$61,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,110

Violation Final Penalty Total \$82,500

This violation Final Assessed Penalty (adjusted for limits) \$82,500

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD
Case ID No. 50328
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$50,000	13-Aug-2013	17-Jun-2014	0.84	\$2,110	n/a	\$2,110

Notes for DELAYED costs

Estimated cost to complete the approved corrective action plan to prevent recurrence of emissions events due to similar causes as Incident No. 186750. The Date Required is the date the emissions event began. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$50,000

TOTAL

\$2,110



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN600131171, RN100222413, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN600131171, Sid Richardson Carbon, LTD **Classification:** SATISFACTORY **Rating:** 6.93

Regulated Entity: RN100222413, SID RICHARDSON CARBON BORGER PLANT **Classification:** SATISFACTORY **Rating:** 9.27

Complexity Points: 19 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 9455 FM 1559 BORGER, TX 79007, HUTCHINSON COUNTY

TCEQ Region: REGION 01 - AMARILLO

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HW0017R

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 37420

WASTEWATER PERMIT WQ0000812000

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HW0017R

AIR NEW SOURCE PERMITS AFS NUM 4823300002

AIR NEW SOURCE PERMITS REGISTRATION 23162

STORMWATER PERMIT TXR05AH39

AIR OPERATING PERMITS PERMIT 1414

POLLUTION PREVENTION PLANNING ID NUMBER P06699

WASTEWATER PERMIT WQG100013

AIR NEW SOURCE PERMITS PERMIT 1867A

AIR NEW SOURCE PERMITS REGISTRATION 45755

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1032

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HW0017R

Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: April 08, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: April 08, 2010 to April 08, 2015

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Eduardo Heras

Phone: (512) 239-2422

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 08/26/2013 ADMINORDER 2012-2164-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 168666 no later than 24 hours after the discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 11, 2012. Specifically, the emissions event occurred on May 19, 2012, but the initial notification was not submitted until May 21, 2012.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Permit No. 1867A/PSDTX1032 PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere during an emissions event (which did not meet all affirmative defense criteria)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)

5C THSC Chapter 382 382.085(b)

Description: Failed to identify the individually listed compounds or mixtures of air contaminants released during the emissions event that occurred on August 7, 2012 (Incident No. 171999). Specifically, the final emissions event report failed to include particulate matter with diameters less than 10 micrometers ("PM10"), carbon black, during the event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Permit No. 1867A/PSDTX1032 PERMIT

Description: Failed to prevent unauthorized emissions,(Incident No. 171999). Also, the emissions event resulted in 100% opacity from EPN-2 for twenty minutes and the permit limits the opacity to 15% averaged over a 6-minute period. This emissions event occurred because the Unit 2 Secondary Bag Filter housing was mechanically damaged due to overload and overpressure causing a crack. Since this emission event was report

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:0-1414 PERMIT

Description: Failed to report completely and adequately all instances of deviations. Specifically, the Respondent failed to include five upset events and the late submittal of a previous semi-annual deviation report on the semi-annual deviation report covering the period of September 20, 2010 through March 19, 2011.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	July 29, 2010	(843053)
Item 2	October 14, 2010	(866561)
Item 3	October 22, 2010	(871475)
Item 4	February 15, 2011	(894964)
Item 5	May 26, 2011	(921647)
Item 6	May 27, 2011	(922124)
Item 7	July 29, 2011	(943883)
Item 8	August 18, 2011	(948926)
Item 9	September 27, 2011	(956277)
Item 10	October 05, 2011	(958592)
Item 11	October 12, 2011	(958788)
Item 12	November 21, 2011	(968514)
Item 13	December 28, 2011	(976155)
Item 14	December 29, 2011	(975993)
Item 15	April 10, 2012	(996189)
Item 16	April 20, 2012	(997595)
Item 17	June 01, 2012	(1009021)
Item 18	June 07, 2012	(1009759)
Item 19	June 12, 2012	(1011493)
Item 20	June 29, 2012	(1013373)
Item 21	July 03, 2012	(1015008)
Item 22	August 06, 2012	(1022473)
Item 23	September 25, 2012	(1030940)
Item 24	October 08, 2012	(1035975)
Item 25	January 15, 2013	(1053654)

Item 26	February 05, 2013	(1055609)
Item 27	February 08, 2013	(1055247)
Item 28	February 27, 2013	(1058902)
Item 29	March 26, 2013	(1073475)
Item 30	April 01, 2013	(1076958)
Item 31	April 08, 2013	(1077840)
Item 32	April 09, 2013	(1077941)
Item 33	May 31, 2013	(1093852)
Item 34	August 26, 2013	(1077772)
Item 35	November 01, 2013	(1123625)
Item 36	December 30, 2013	(1138926)
Item 37	January 15, 2014	(1143867)
Item 38	January 23, 2014	(1143895)
Item 39	April 03, 2014	(1156903)
Item 40	May 14, 2014	(1165334)
Item 41	May 28, 2014	(1170722)
Item 42	June 12, 2014	(1171568)
Item 43	January 26, 2015	(1221922)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	05/21/2014	(1165405)	CN600131171
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter F 101.201(e)(7) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to report the estimated opacity during an excess opacity event.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter F 101.201(e)(8) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to report the authorized opacity limit for the facilities having the excess opacity event.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(8)(A) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to prevent visible emissions of greater than 30% opacity for any six-minute period from all other sources not specified in 30 TAC §111.111. This occurred during an excess opacity event which did not meet all affirmative defense criteria.		

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
SID RICHARDSON CARBON, LTD	§	
RN100222413	§	ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2015-0522-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Sid Richardson Carbon, LTD ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, represented by Robert T. Stewart of the law firm of Kelly Hart Attorneys, presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a carbon black manufacturing plant located at 9455 Farm-to-Market Road 1559 in Borger, Hutchinson County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During a record review conducted on January 26, 2015, TCEQ staff documented that the Respondent failed to report the compound descriptive type of all individually listed compounds or mixtures of air contaminants released during an emissions event (Incident No. 206623) that equaled or exceeded the reportable quantity.
4. During a record review conducted on January 26, 2015, TCEQ staff documented that the Respondent released 220.27 pounds ("lbs") of carbon monoxide, 4.55 lbs of carbon disulfide, 1.52 lbs of carbonyl sulfide, 4.55 lbs of hydrogen sulfide, 16.21 lbs of nitrogen oxides, 21.71 lbs of particulate matter, 892.05 lbs of sulfur dioxide, and 8.88 lbs of other pollutants from the Plant 2 Unit 4 Primary Bag Filter Flare, Emission Point Number ("EPN") Flare-4, during an emissions event (Incident No. 206623) that began on November 11, 2014 and lasted two hours and 15 minutes. The emissions event occurred when a loss of power to a control panel caused knife gate valves to shut and blow the water leg. TCEQ staff determined that the emissions event was inaccurately reported.
5. During a record review conducted from September 9, 2014 through March 11, 2015, TCEQ staff documented that the Respondent released 558,792.25 lbs of carbon monoxide, 11,630.60 lbs of carbon disulfide, 3,876.87 lbs of carbonyl sulfide, 11,630.60 lbs of hydrogen sulfide, 41,121.74 lbs of nitrogen oxides, 55,063.47 lbs of particulate matter, 2,280,509.66 lbs of sulfur dioxide, and 22,514.84 lbs of other pollutants from the Plant 2 Unit 4 Primary Bag Filter Flare, EPN Flare-4, during an emissions event (Incident No. 186750) that began on August 13, 2013 and lasted 7,395 hours and 51 minutes. The emissions event occurred when the Unit 4 offgas fan was brought down due to high vibration. TCEQ staff determined that this event was an excessive emissions event.
6. The Respondent received notices of the violations on or about February 27, 2015 and March 25, 2015.
7. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On June 17, 2014, completed the approved corrective action plan to prevent recurrence of emissions events due to similar causes as Incident No. 186750; and
 - b. March 12, 2015, created a form to ensure all future initial notifications are completely and accurately reported when the State of Texas Environmental Electronic Reporting System is unavailable.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382, TEX. WATER CODE ch. 7, and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to submit a complete and accurate initial notification within 24 hours after discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(2)(F) and 122.143(4), Federal Operating Permit ("FOP") No. O1414, Special Terms and Conditions ("STC") No. 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1414, STC No. 6, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1. Since the emissions event was inaccurately reported, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. As evidenced by Findings of Fact No. 5, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1414, STC No. 6, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1. The event was determined to be an excessive emissions event.
5. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
6. An administrative penalty in the amount of Eighty-Seven Thousand Four Hundred Seventy-Five Dollars (\$87,475) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid the Eighty-Seven Thousand Four Hundred Seventy-Five Dollar (\$87,475) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Eighty-Seven Thousand Four Hundred Seventy-Five Dollars (\$87,475) as set forth in Section II, Paragraph 6 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in

any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Sid Richardson Carbon, LTD, Docket No. 2015-0522-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement measures and/or procedures to prevent recurrence of emissions events due to similar causes as Incident No. 206623; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision No. 2.a., and include detailed supporting documentation including photographs, receipts, and/or other records. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
8. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature

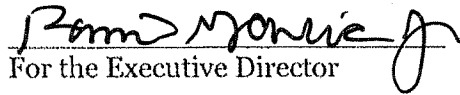
affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

10. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

11/19/15
Date

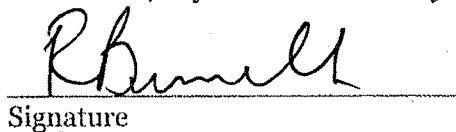
I, the undersigned, have read and understand the attached Agreed Order in the matter of Sid Richardson Carbon, LTD. I am authorized to agree to the attached Agreed Order on behalf of Sid Richardson Carbon, LTD, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Sid Richardson Carbon, LTD waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

9/22/15
Date

Riaz Bismilla
Name (Printed or typed)
Authorized Representative of
Sid Richardson Carbon, LTD

VP Production
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order